

Section 149 Company to have BOD

→ only individual can become a director.

Minimum directors

Pub. Company	pvt. Co.	opc
↓	↓	↓
2	2	1

Max. directors

↳ 15 Directors

* AOA may provide Lower Max. Limit.

* More than 15 directors ???

Ans "Special Resolution"

Q. Consequences if no. of directors reduced below Statutory minimum ???

Ans

Situation I	Situation II	Situation III
IF Quorum ⇒ ✓	IF Quorum ⇒ ✗	IF Company becomes director-less
Then Convene BM or EGM	Then Reg ⁿ 69 Table F	Sec 168(3)
Any other Btg after such Reduction ⇒ Invalid	or Continuing May Co-opt director	↳ Promoters or ↳ By C.O.

Proviso to Sec 149(1)



Woman director

Every listed Co.

Or pub Co. having → paid-up cap 100 crore
→ T/O 300 crore

Should have atleast 1 director

⇒ Interim Vacancy ⇒ 2m में

⇒ New Co → 6m

⇒ Existing → 1 साल में

Sec 149(6) Independent Director

Sec 150 Manner & Selection of I.D & Data Bank.

Section 151 Small Shareholders Directors

A Listed Co. May → Suo Moto
or
on Appⁿ By Small SH. } elect 1
Small SH.
Director

{ 1000 or 1/10th of Total no of
Small SH
[whichever less] }

Q. Who is Small SH. ??

Ans means SH. holding Shares of Nominal Value
not more than ₹ 20000.

Special Features of S. SH. director

⇒ considered as I.D. ⇒ Max. 2 Com. में ही ऐसी
directorship हो सकती है
⇒ Rotation → X 2 दोनो Co. में आपस में Competition
[Tenure- 3 साल] नहीं होना चाहिए]

⇒ ⚠ After ceasing the office → 3 साल तक No direct
or Indirect
Relationship with Co.

Section 152. Rotation & First directors

Sec 152(1) FIRST DIRECTORS

Option-1 ⇒ Those whose name is written in AoA as directors

IF Not

option-2 ⇒ "Deemed first directors"
i.e all the Subscribers of MoA [⚠]

⚠⚠ deemed ⇒ Hold office upto first "EGM."
option-1 वाले ⇒ Regular cycle में चले जाएंगे।

Section 152. Rotation of first directors

Sec 152(1) FIRST DIRECTORS

Option-1 $\Rightarrow$ Those whose name is written in AoA as directors

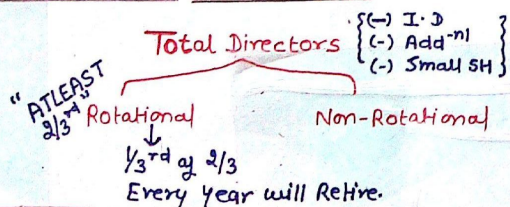
IF Not

Option-2 $\Rightarrow$ "Deemed first directors"
i.e. all the subscribers of MoA [8]

⊗⊗ deemed $\Rightarrow$ Hold office upto first "EGM."

option-1 वाले $\Rightarrow$ Regular cycle में चले जाएंगे।

Sec. 152(6) & (7) ROTATION



Non Rotational

Specified by $\rightarrow$ Either by AoA
or
 $\rightarrow$ By Resolution appointing them.

Tenure
"जीवन भर"
But Subject to Sec 169.

AoA may provide that All directors may Retire.

Q. Who will retire first ??

Ans FIFO Method.

Q. IF same date ??

Ans By Mutual agreement

IF Not $\rightarrow$ By draw of LOT.

⊗ Pvt. Company पर ये provision नहीं लागू है।

at ANM.

- Reappointing the Retiring
or
- appointing other than Retiring
or
- May 'Resolve' not to fill-up.

→ IF Nothing of above

Then Meeting Adjourned

[Same day, Next week
Same time, Same place
Other than Holiday]

IF NO Decision

↓
"deemed to be
Re-appointed"

unless

- ① disqualified.
- ② expressed unwillingness
- ③ Resolution put & lost
- ④ Sec 162.

<u>Section 161</u> <u>Section 161(1)</u> <u>Additional Director.</u>	<u>Sec. 161(2)</u> <u>Alternate Director</u>	<u>Sec. 161(3)</u> <u>Nominee Director</u>	<u>Sec 161(4)</u> <u>CASUAL VACANCY</u> <u>Director.</u> (only on pub.co.)
⇒ Power "<u>derived</u> from AoA" ⇒ Board to Appoint [either By meeting or Resolution by Circulation] ✳ <u>वेबसाइट औरत</u> [Rejected] ⇒ <u>GM ??</u> Yes, only if AoA so provide. <u>Tenure of OFFICE</u> → upto the date of Next AGM or → Last date of AGM [whichever is earlier] ⇒ <u>For Bonafide Intrest of Co.</u> ⇒ Same Rights & duties as of Ordinary	⇒ BOD to appoint [— " —] ⇒ GM ⇒ <u>Two ways :-</u> Way 1 AOA ↓ Authorise BOD ↓ Appoint ⇒ Alternated Director. Way 2 GM Authorised by "OR" ↓ BOD ↓ Appoint ⇒ Alternated Director. ⇒ <u>Why ??</u> Intention to be Absent from India for 3 months. ✳ <u>NRI / Foreign directors</u>	⇒ "Subject to AoA" ⇒ BOD to appoint [— " —] ⇒ <u>Role</u> ① policy making में <u>भाग</u> दे। ② protect intrest of Institution ③ work for Best intrest of Company also. ⇒ Always "Non-Rotational" ⇒ Max. No. of Nominee ⇒ <u>3</u> [According to policy guideline]	⇒ "Subject to AoA" ⇒ only By BOD. ✳ <u>Board meeting only.</u> ⇒ Casual Vacancy Should be only of those directors who have been appointed in <u>GM</u> <u>dept. clarification</u> GM → CV → BOD → CV → GM ① ② ③ ④ ⑤ ✓ yes 161(4) ⇒ company "May" fill Vacancy.
<u>Additional director appointed as MD</u> "Office of MD is co-terminus with that of director" ✳ अगर immediately Sec 160 में <u>Ordinary</u> director appoint हो जाता है तो MD की post vacate करने की जरूरत नहीं है।	⇒ <u>Tenure of OFFICE</u> ↳ No Longer than original death ↳ India Return → <u>vacate</u> <u>Jason Eng. Trading Co. Ltd.</u> शरीर में भाग्य 1 outsider - 1 alternate directorship director - सिर्फ 1 के लिए Alternate I.D के लिए Alternative भी I.D ही होना चाहिए।		⇒ <u>Tenure of OFFICE</u> - Till expiry of term in whose place he was appointed.

Section 162 Appointment to be Voted Individually

GTM के case में only.

Exception of this Sec.

First pass draft Resolution {i.e Motion}
& should be unanimously passed.

Then pass "OR" of appointing directors.

Effects of Contravention

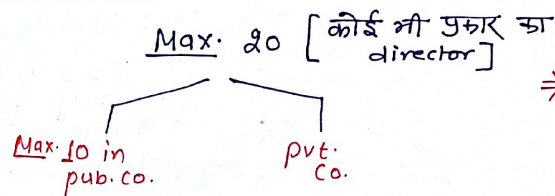
Resolution would be "Void"

⇒ whether obj is taken or not.

[सब Companies पर लागू है]

Section 164 Disqualifications

Section 165 Limit on Directorship.



⇒ SR or AOA से ceiling कम की जा सकती है But ज्यादा नहीं की जा सकती है।

* Holding & Sub. of a pub Co. will also be treated as pub. Company.

Section 163 Principle of Proportional Representation

⇒ Directors are to be appointed in the proportion of shares held by them.

⇒ pub + pvt

⇒ Article to Specially provide.

⇒ Not less than $\frac{2}{3}$ rd according to this principle

⇒ "Notwithstanding Section" ~~164~~

⇒ Office - 3 साल तक
§ they are eligible for Re-appointment. [provided SH]

Sec 166 Duties of Directors

→ Act According to AoA

→ Good Faith to promote Companies objectives to its members as a whole

→ due Reasonable care, due-diligence & Independent judgement

→ donot involve in a Situation which directly or indirectly Conflict of interest with Company.

→ Shall not achieve undue advantage

→ Shall not assign his office.

→ Penalty ⇒ 100000 - 500000

Sec. 167 Vaction of Office of Directors

Sec 168 Resignation By director [Amendment]

Sec 169 Removal of Directors

Sec 170 Register of Directors/KMP & their Shareholding.

- ① details of directors & KMP
- ② their SHing details
- ③ Return in DIR-12 within 30 days of any change with Roc.

Sec. 171

Member's Right to Inspect

- Sec 170's Register
- ↳ Shall be open for inspection
 - ↳ Copies - 30 days ~~at~~ free of cost
 - ↳ Shall be kept at every Ann.

Sec 172.

Resudary Penalty

Co. &
Every Officer in default
₹ 50000
- ₹ 500000